

The Brownfields Economic Redevelopment Initiative

Proposal Guidelines for
Brownfields Cleanup



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Questions & Answers

What is the U.S. Environmental Protection Agency's Brownfields Program?

The Environmental Protection Agency's (EPA) Brownfields Economic Redevelopment Initiative is designed to empower states, federally recognized Indian tribes, local governments, communities, and other stakeholders involved in economic redevelopment to work together in a timely manner to prevent, assess, and safely cleanup brownfields in order to facilitate their sustainable reuse. As part of this Initiative, EPA has awarded cooperative agreements to States, and political subdivisions (including cities, towns, counties) to capitalize Brownfields Cleanup Revolving Loan Fund (BCRLF) pilots.¹

What is a Brownfield?

EPA defines brownfields as abandoned, idled, or underused industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.

What is the Purpose of the BCRLF Program?

The purpose of the BCRLF pilots is to enable States, and Indian tribes, and political subdivisions to facilitate the cleanup and redevelopment of brownfields properties. In particular, these pilots will test revolving loan fund models that facilitate coordinated public and private cleanup efforts. Financial assistance provided to a BCRLF recipient may be awarded in an amount up to \$1,000,000 per eligible entity.

How may a Pilot use the cooperative agreement funds?

EPA will award a cooperative agreement for up to \$1,000,000 per eligible entity. A BCRLF pilot (cooperative agreement recipient) must use at least 70 % of the funds provided to *capitalize* a clean up loan fund. A percentage of the loaned amount may be *discounted* for particular types of borrowers.² EPA will allow the recipient to use up to 20% of the cooperative agreement funds as

¹ There are 126 BCRLF pilots that have been awarded since fiscal year 1997. Although no tribes have applied for a BCRLF pilot, EPA anticipates tribal government participation in the future.

² Cooperative Agreement recipients may "discount" or forego a percentage of the loan amount for two types of borrowers: (1) non-profit entities and (2) governmental entities. Non-profit entities may receive a 30% loan "discount." Governmental entities may receive a 20% loan discount. For example, if a non-profit entity borrowed \$100,000 for a cleanup activity, the cooperative agreement recipient could

direct financial assistance to the cooperative agreement recipient to carry out its clean up responsibilities as “lead agency.” The direct financial assistance must be used by the recipient in combination with a specific loan. The remaining 10% of the cooperative agreement may be used for the cooperative agreement recipients’ *general administrative* costs.

At least 70% of the funds will be used to capitalize a loan fund that “revolves”. A loan program “revolves” when it uses loan repayments (principal, plus interest and fees) to make new loans for the same authorized purposes. The authorized purpose for the BCRLF is to clean up Brownfields sites in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and consistent with The National Oil and Hazardous Substances Pollution Contingency Plan (NCP).

EPA may provide up to 20% of the cooperative agreement funds to the cooperative agreement recipient as *direct financial assistance*. These funds may be used ONLY by the cooperative agreement recipient and ONLY in combination with a loan. These funds may not be given to a borrower as a “subgrant.” Upon application for a loan by a borrower, *the cooperative agreement recipient may use this direct financial assistance to carry out any site-specific “lead agency” responsibilities related to that loan.* For example, these funds may be used by the cooperative agreement recipient to prepare the engineering evaluation/cost analysis (EE/CA) and/or to fulfill site specific responsibilities of the lead agency’s brownfields site manager. Other lead agency responsibilities that these funds could be used for are described at pages 17-18.

The remaining 10% of the cooperative agreement may be used for general (non site specific) administrative costs. For example, the recipient may use these funds for establishing the administrative infrastructure of the revolving loan program. This may include costs related to processing loan applications, conducting credit checks, outreach to potential borrowers and loan administration.

How Many Pilots Will be Selected for the FY 02 BCRLF Program?

In fiscal year 2002, EPA expects to select up to 25 new BCRLF pilots, awarding up to \$1,000,000 per pilot. Coalitions are eligible to receive awards up to \$1,000,000 per eligible entity.

Who is Eligible for a BCRLF Pilot?

Eligible entities for FY 2002 BCRLF pilots will be States, political subdivisions, and Indian tribes that have established and can demonstrate the progress already made in the assessment, cleanup and revitalization of brownfields in a community, State or Tribe.

apply the 30% discount and permit the non-profit to repay \$70,000 instead of the \$100,000 borrowed. The amount of the loan discount is determined by the cooperative agreement recipient.

Consideration will be given to proposals received from eligible entities designated as a Federal Empowerment Zone or Federal Enterprise Community.

Are Pilots Limited to Sites Assessed Under Other EPA Brownfields Programs?

No. Sites cleaned up under the BCRLF pilot program may be drawn from any area within the eligible entities' jurisdiction. Pilot sites are NOT limited to those identified, characterized, or assessed under a previously awarded assessment pilot or targeted brownfields assessment.

Can Proposals from Coalitions be Submitted?

Yes. Proposals from coalitions, formed among two or more entities, are permitted. However, coalition funding will be premised on an award of no more than \$1,000,000 per eligible entity. Loan funds must be directed to properties located within the jurisdictions of the eligible entities comprising the coalition.

Coalition proposals may take several forms, including the following:

- two or more eligible entities; one of the eligible entities serves as the cooperative agreement recipient for the coalition; or
- two or more eligible entities with the State serving as the cooperative agreement recipient for the coalition; or
- one political subdivision serving as the cooperative agreement recipient for a smaller eligible entity located within the political subdivision's political jurisdiction, e.g., a county acting on behalf of a municipality located within the county's jurisdiction; or
- an existing BCRLF coalition may apply on behalf of one or more new eligible entities seeking to join a coalition. (The proposal must be submitted by the cooperative agreement recipient for the coalition.)

For each coalition proposal, the following will be required:

- clear designation of one entity as the cooperative agreement recipient for the coalition (this entity will be responsible for administering the cooperative agreement and lead agency duties described on pages 14-15); and
- a letter from each coalition member's chief executive stating that the entity chooses to join the coalition.

- existing coalitions making proposals on behalf of new eligible entities shall provide a written affirmative statement that members of the existing coalition (chief executive of the coalition entity e.g., the mayor, county executive) have agreed to admission of additional entities to the coalition.

What Must be Demonstrated in the Pilot Proposal?

Applicants must demonstrate through their proposal: 1) an existing commitment to brownfields; 2) an ability to manage a revolving loan fund and environmental cleanups; 3) a need for cleanup funds; 4) commitment to making loans and creative leveraging of EPA financial assistance with public-private partnerships and in-kind services³; and 5) a clear plan for sustaining the environmental protection and related economic development activities initiated through the BCRLF program.

Each eligible entity must meet EPA's Threshold criteria and should address the Evaluation criteria. A pilot will not be awarded to applicants who cannot meet the Threshold Criteria. However, the Agency may seek clarification of threshold issues prior to making a final decision. There is no guarantee of an award. The size of the awards may vary, depending on the proposal's responses to the Evaluation criteria. Coalitions are eligible to receive awards up to \$1,000,000 per eligible entity.

What is the Deadline and How Do I Submit the Proposal?

November 15, 2001 is the deadline for the FY 2002 BCRLF pilots. Proposals must be post-marked by the U.S. Postal Service or sent to U.S. EPA Headquarters via registered or tracked mail by the proposal deadline. (*Please note that the address for submission of the proposal varies according to method used for mailing the proposal – see page 39 for instructions.*) A copy of the proposal submitted to EPA Headquarters must also be submitted via registered or tracked mail to the appropriate U.S. EPA Regional BCRLF Coordinator (See page 40).

How Does the U.S. EPA Disburse Financial Assistance to the Applicant?

The U.S. EPA has established procedures governing how BCRLF financial assistance to a recipient may be paid to the pilot cooperative agreement recipient and, in particular, procedures *to capitalize the loan fund* and subsequent disbursement to borrowers. Payments for direct financial assistance (up to 20% of the award) and general administrative expenses (up to 10% of the award) will be made on the basis of the costs the recipient incurs or expects to incur within a reasonable time after the recipient makes a payment request. (All payments will be made consistent with 40 C.F.R. Part 35.6280 and 40 C.F.R. 31.21.)

³ Note, although applicants are encouraged to leverage funds, the program does not impose a mandatory match requirement.

With respect to the financial assistance to capitalize the loan fund and loan fund payments (at least 70% of the award), the recipient may establish loan disbursement procedures that allow borrowers to request funds based on either actual expenses (e.g., invoices) or a schedule (e.g., progress payments). EPA will make payments to the recipient to meet the recipient's obligations to the borrower based on either approach.

Where Can I Find Additional Information on the BCRLF Program?

Information regarding the BCRLF pilot program may be found at the EPA Brownfields Homepage (<http://www.epa.gov/brownfields>) under the reference to the "Revolving Loan Fund Pilots." Interested parties are strongly encouraged to review information found in the *Brownfields Cleanup Revolving Loan Fund Administrative Manual* (EPA 500-B-98-001) published in May 1998, which is also available at the following location <http://www.epa.gov/swerosps/bf/rfllocat.htm>.

Additionally, EPA has made several policy clarifications which may be of assistance to you in understanding aspects of the BCRLF program. These policy clarifications include:

- memorandum dated July 10, 2000, signed by Linda Garczynski, Director, Outreach and Special Projects Staff, entitled "*Clarification of Site Manager (On-Scene Coordinator Role)*", etc.;
- memorandum dated September 5, 2000, signed by Timothy Fields, Jr., Assistant Administrator OSWER, entitled "*Clarification of Borrower Eligibility Under the Brownfields Cleanup Revolving Loan Fund Program.*";
- memorandum dated January 10, 2001, signed by Timothy Fields, Jr., Assistant Administrator OSWER entitled "Financial Structure of Cooperative Agreement Funds Under the Brownfields Cleanup Revolving Loan Fund Program"; and
- memorandum dated July 17, 2001, signed by Michael H. Shapiro, Acting Assistant Administrator OSWER entitled "Amendment to Governmental Entity Loan Discount Rate for the Brownfields Cleanup Revolving Loan Fund Program."

These policy memoranda may be found at the web site indicated above.

What is EPA's Involvement with the BCRLF Program Once the Award is Made?

EPA does not intend to be involved in prioritizing loan proposals, or in the day-to-day management of the BCRLF loan program, and, specifically, will have no contractual ties with individual borrowers. However, EPA anticipates being *substantially involved* in monitoring the BCRLF program to ensure that applicable legal, financial, and environmental response requirements are met. Substantial involvement may include: approval of procedures for site and loan recipient selection, review of the substantive terms of loan documents, review or approval of project phases. Substantial involvement may also include a general monitoring of operational matters.

Background

The Brownfields Program reflects a new paradigm in environmental protection which is locally-based, encourages strong public-private partnerships, and promotes innovative and creative ways to address brownfields sites. Across the country, more than 600,000 properties that were once used for industrial, manufacturing, or other commercial uses now lie abandoned due to suspicion of hazardous substance contamination, creating blight, joblessness and despair. Perceptions about potential environmental liability keep developers, investors, and lenders from restoring such lands to productive use.

Far from a typical regulatory or enforcement initiative, the Brownfields Program encourages market incentives and private sector actions to restore brownfields. Its novel approach empowers state, tribal, and local environmental and economic redevelopment officials to oversee brownfields activities, ensuring that local solutions are created to solve local problems.

The U.S. Environmental Protection Agency (EPA) supports efforts to assess and cleanup brownfields. EPA does this by providing technical and financial assistance, facilitating information sharing, and coordinating relationships between 20 federal agencies, as well as trade associations, business groups, and non-profits. These relationships are what make the Brownfields Program unique; they enable brownfields assessment and cleanup activities to work more effectively in conjunction with local, state and federal health, workforce development, housing, and transportation programs, without duplication of effort.

EPA's Brownfields Cleanup Revolving Loan Fund Pilots facilitate cleanup of brownfields properties. The focus of the BCRLF pilots is to capitalize low-interest loan funds for cleanup. Once loans are paid back, cleanup loans are then awarded to address other sites, "recycling" the fund as well as these properties. EPA also has established other pilot programs. The Assessment Demonstration Pilots provide financial assistance to local governments to create two-year programs that build capacity and partnerships at the local level, and develop innovative approaches to brownfields issues. EPA's Brownfields Assessment Demonstration Pilots have jump-started brownfields efforts by performing environmental assessments, conducting cleanup planning which takes long-term future land-use into consideration, and bringing together community groups, investors, lenders, and developers. EPA's Job Training Pilots create locally-based environmental job training programs to ensure that the economic benefits derived from Brownfields efforts remain in local neighborhoods. Finally, the Brownfields Showcase Communities projects serve as exemplary models of collaboration and cooperation between Federal agencies, and public and private stakeholders.

By participating in EPA's pilots, each recipient is enhancing its own capacity to address the brownfields sites, building partnerships, and developing innovative approaches to brownfields issues. Thus, the momentum generated by these Brownfields Pilot projects is expected to long outlive federal

involvement by leveraging state, tribal, local and private investment, and by replacing despair and blight with community vitality.

The Proposal Evaluation Process

BCRLF pilots are selected through a competitive process. All proposals are initially evaluated by U.S. EPA Regional evaluation panels. The panels consist of EPA Regional staff, including Regional Brownfields Coordinators, and other Federal Agency representatives. The panels assess how well the proposal meets the selection criteria and make recommendations on the number and size of the awards. Final selection of the pilots is made by EPA Senior Management, following the regional panel reviews. Decisions may take into account policy considerations such as geographic distribution of funds. EPA reserves the right to reject all proposals and make no awards.

Proposals must be clear, decisive, and strictly follow the criteria. Proposals for BCRLF pilots should address each “Threshold” and “Evaluation Criteria.” (see pages 27-37). The eligible entities must meet EPA’s threshold criteria. The Agency may seek further clarification of threshold criteria during the review process. Proposals also must provide sufficient detail so the panels may compare the merits of each, while deciding which proposals best support the intent of the pilot program. Proposals providing the best evidence of a true need, a quality project, and appropriate use of funds will have the best chance of being recommended by the panels. Vague descriptions and unnecessary redundancy may reduce the chance of a favorable rating.

Applicants are strongly encouraged to familiarize themselves with the *Brownfields Cleanup Revolving Loan Fund Administrative Manual* (EPA 500-B-98-001, May 1998) and the *Brownfields Cleanup Revolving Loan Fund Administrative Manual: Model Terms and Conditions* (EPA 500-B-98-002, October 1998) (see, <http://www.epa.gov/bf/riflocat.htm>). In addition, policy clarifications including the memorandum dated July 10, 2000, signed by Linda Garczynski, Director, Outreach and Special Projects Staff, entitled “*Clarification of Site Manager (On-Scene Coordinator Role)*”, etc., and the memorandum dated September 5, 2000, signed by Timothy Fields, Jr., Assistant Administrator OSWER, entitled “*Clarification of Borrower Eligibility Under the Brownfields Cleanup Revolving Loan Fund Program*” are located at web site indicated above.

Applicants may also contact and meet with EPA Regional BCRLF Coordinators for assistance prior to submission of their proposal. A list of Regional BCRLF Coordinators and their phone numbers can be found on page 40 of the guidelines.

The Cooperative Agreement Award Process

Upon selection, applicants will receive a confirmation letter from EPA Headquarters. Applicants not selected also will be informed in writing.

Successful BCRLF pilot proposal applicants also will be contacted by the appropriate EPA Regional office. Successful applicants will be asked to prepare documentation to support the signing of a cooperative agreement with the U.S. EPA.

Cooperative agreements are awarded by the EPA Regional offices. The information in the BCRLF pilot proposal, the answers submitted in response to the selection criteria, will form the basis for the cooperative agreement application. ***However, the cooperative agreement application will require more detailed information on specific products, schedule, and budgets.***

The cooperative agreement application package will include:

- the standard application and budget forms (SF 424);
- a formal work plan that provides a detailed description of the work to be performed, including a schedule, milestones, products, and budget backup information;
- information related to community relations, health and safety, and quality assurance plans;
- and the required certification forms.

The EPA Regional Brownfields Office and Regional Grants Specialist will work closely with the applicant to process and finalize the cooperative agreement package. Unless the Agency makes an exception, EPA Regulations require the award official⁴ to sign the cooperative agreement before costs are incurred.

EPA strongly encourages BCRLF pilot proposal applicants to contact their State Intergovernmental Review office early so that the required intergovernmental review process may begin immediately upon selection by EPA. If the State does not have an Intergovernmental Review Office, the successful applicant must provide notice of the proposed agreement directly to affected State, area-wide, regional, and local entities. EPA will provide further guidance, if needed.

⁴ An “Award official” is the individual who signs the assistance agreement ensuring that all technical, legal, and administrative evaluations have been made and that the proposed agreement is awardable. For regionally administered programs, the award official is either the Regional Administrator, Assistant Regional Administrator, or Division Director.

BCRLF Terminology

The following terminology will be used throughout the proposal guidelines:

- P** *Applicant*, or legal recipient, is the state, political subdivision (e.g., city, town, county), or Indian tribe that submits a proposal for a BCRLF Demonstration Pilot with EPA. If the proposal is from a coalition, the “applicant” must be the legal recipient (lead agency/cooperative agreement recipient) for the coalition.
- P** *Brownfields Site Manager* is the qualified government employee who helps the lead agency carry out its responsibilities on a site specific basis. The brownfields site manager works on behalf of the lead agency. *See also, Roles and Responsibilities section on pages 14 for further explanation.*
- P** *Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended or CERCLA*, also known as “Superfund,” is a Federal law that governs the investigation and cleanup of sites. The BCRLF demonstration pilot program is funded under § 104(d)(1) of CERCLA.
- P** *Coalition* is a grouping of two or more eligible entities (i.e., State, political subdivision, or Indian tribe) joined together under one cooperative agreement recipient. One member of the coalition must agree to administer the cooperative agreement and act as lead agency.
- P** *Cooperative Agreement* is the document negotiated between EPA and those applicants EPA selected to receive BCRLF pilot financial assistance. The cooperative agreement awards federal funds and outlines the terms and conditions to be met by the recipient of the funds.
- P** *Cooperative Agreement Recipient* is the entity with the authority to enter into the cooperative agreement and is responsible for the overall implementation of the BCRLF demonstration pilot. *See also, Roles and Responsibilities section on page 14 for further explanation.*
- P** *Eligible Entity* is a State, political subdivision, or Indian tribe that has established and can demonstrate environmentally sound brownfields programs are underway in its jurisdiction.
- P** *Fund Manager* is the cooperative agreement recipient or its legally designated representative. The Fund Manager manages the financial aspects of the fund and ensures that the BCRLF is managed in conformance with the cooperative agreement, applicable laws and regulations, and prudent lending practices. *See also, Roles and Responsibilities section on page 15 for further explanation.*

- P** *Lead Agency* is the cooperative agreement recipient. *See also, Roles and Responsibilities section on page 14 for further explanation.*
- P** *The National Oil and Hazardous Substances Pollution Contingency Plan or NCP*, 40 CFR Part 300, is the Federal regulation that governs the cleanup of releases of hazardous substances, pollutants, and contaminants under CERCLA.
- P** *Pilot Area* is the section(s) of the eligible entities' jurisdiction in which it intends to make BCRLF loans. It is NOT limited to those areas targeted by the Brownfields Assessment Demonstration Pilot program or the Targeted Brownfields Assessment program.
- P** *Political Subdivision* is a unit of government that the State determines to have met the State's legislative definition of a political subdivision. 40 CFR § 35.6016(a)(31)
- P** *Proposal* is the document submitted to EPA that provides responses to the criteria described in this guideline. If the *proposal* is selected by EPA, the applicant will be requested to prepare a formal *application* for a cooperative agreement.

Roles and Responsibilities

The following section describes the roles and responsibilities associated with a BCRLF Pilot. This is *NOT* an exclusive listing of all roles and responsibilities, it is merely a guide.

P The *Cooperative Agreement Recipient*

The *Cooperative Agreement Recipient* is the entity with the authority to enter into the cooperative agreement. As the *Cooperative Agreement Recipient*, the entity:

- enters into the cooperative agreement with U.S. EPA;
- ensures the overall implementation of the BCRLF pilot;
- ensures that the funds provided by EPA are used for authorized purposes;
- ensures that these funds are tracked, recorded, and reported to EPA;
- selects the Fund Manager; and
- is responsible for the actions of the Fund Manager.

P The *Cooperative Agreement Recipient is the LEAD AGENCY* and must carry out all lead agency responsibilities identified in 40 C.F.R. §300.415. Lead Agency responsibilities include:

- determining whether BCRLF cleanup activities at a particular site are authorized by CERCLA and the NCP based on site evaluation (described in the NCP at 40 C.F.R. § 300.410) and on current site conditions;
- conducting a site-specific engineering evaluation and cost analysis of cleanup alternatives as required by 40 C.F.R. § 300.415(b)(4);
- ensuring that a BCRLF cleanup meets applicable or relevant and appropriate requirements under Federal and State environmental laws, as required by 40 C.F.R. § 300.415(j);
- ensuring that the NCP public participation requirements (see, 40 C.F.R. § 300.415(n)) are met. This includes ensuring the availability of documents, providing adequate public comment periods, and designating a spokesperson to inform the community of actions taken, respond to inquiries, and provide information;

- establishing an administrative record for each site, as required by 40 C.F.R. § 300.800(a). (The administrative record contains all the information that forms the basis for the selection of a cleanup action, including a decision document describing the final selection of a BCRLF cleanup.);
- working with the Fund Manager, as loan agreements are developed, to ensure that all environmental response requirements will be met and that BCRLF funds are used only for authorized activities;
- ensuring the adequacy of each BCRLF cleanup as it is implemented, including, but not limited to, ensuring that all Federal and state requirements for worker health and safety are met;
- ensuring that Natural Resource Trustees are promptly notified and coordinated with when there are potential damages to natural resources;
- ensuring that a site is secure and that it poses no immediate threat to human health or the environment, if a borrower is unable or unwilling to complete a BCRLF cleanup; and
- identifying the government employee⁵ who will be the lead agency’s “**BROWNFIELDS SITE MANAGER.**” The brownfields site manager will carry out the lead agency’s responsibilities on a site-specific basis.

P The Cooperative Agreement Recipient selects the FUND MANAGER

The *Fund Manager* is the cooperative agreement recipient or its legally designated representative. The *Fund Manager*:

- ensures that the BCRLF is managed in conformance with the cooperative agreement, applicable laws and regulations, and prudent lending practices.

⁵ See, policy clarification in the memorandum dated July 10, 2000, signed by Linda Garczynski, Director, Outreach and Special Projects Staff, entitled “*Clarification of Site Manager (On-Scene Coordinator Role)*”, etc. Typically, the site manager is an employee of the lead agency. Other options include: 1) an employee of the political subdivision, a state government employee, or federal employee such as someone from the U.S. Army Corps of Engineers or Bureau of Reclamation; 2) a political subdivision’s use of a city ordinance that permits the temporary hiring of city personnel; 3) designation by the lead agency of an employee as site manager who utilizes technical support from EPA regional staff; and 4) designation by the lead agency of any employee as site manager and contracts for technical support.

- may be a third party (either governmental or non-governmental). If the cooperative agreement recipient uses pilot funds to enter into agreements with non-governmental entities for these activities, the agreements must comply with 40 C.F.R. §31.37 in the case of a subgrant to a non-profit organization, or 40 C.F.R. Part 35 Subpart O for contracts with service vendors. Intergovernmental agreements may be used for transactions between governmental units.

Legal and Program Guidelines

The BCRLF program is funded through the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). BCRLF pilot funds must be used in accordance with CERCLA. All CERCLA restrictions on the use of funding also apply to BCRLF funds.⁶

P Eligible Applicants for BCRLF Pilots

- States, political subdivisions (40 C.F.R. 35.6015(a)(31)), and Federally recognized Indian tribes.
- Proposals from coalitions are permitted to apply (see specific requirements for Coalition proposals listed on page 18).

P Eligible Borrowers

- The cooperative agreement recipient may loan to any entity, public or private, that is authorized to enter into a loan agreement, can establish a legally binding agreement to repay the loan, and can identify a potential source of income for the repayment.
- BCRLF pilot funds may be loaned to a party that is an owner/operator of the site only if:
 - N** the owner/operator would fall under a statutory exemption from CERCLA liability; or
 - N** EPA would use its enforcement discretion and not pursue the party in question under CERCLA, as described by EPA guidance (see list in Appendix A).
 - N** the owner/operators acquired the property *after* the time of disposal or placement of hazardous substances and the lead agency determines that the owner/operator has not caused, contributed to, permitted, or exacerbated the release of a hazardous substance on, or emanating from that property.

⁶ The BCRLF demonstration pilot program is funded under §104(d)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA). Regulations applicable to this program include 40 C.F.R. Part 31 (Uniform Administration Requirements for Grants and Cooperative Agreements to State and Local Governments), 40 C.F.R. Part 35, Subpart O (Cooperative Agreements for Superfund Response Actions), and 40 C.F.R. Part 300 (The National Oil and Hazardous Substances Pollution Contingency Plan).

- BCRLF pilot funds may NOT be loaned to a party that is a generator or transporter of contamination at the site for which that party is requesting funds.
- BCRLF funds may not be loaned to a party that is suspended, debarred, or otherwise ineligible to participate in Federal financial assistance programs.

Determinations regarding borrower eligibility made by the lead agency do not, however, limit the authority of the Federal or state government.

P Eligible Properties and Activities

- Use of BCRLF pilot funds is limited to brownfields sites, within the eligible entities jurisdiction, that have been determined to have an actual release or substantial threat of a release of a hazardous substance. Funds may also be used at sites with a release or substantial threat of release of a pollutant or contaminant which may present an imminent and substantial danger to the public health or welfare.
- BCRLF pilot funds may NOT be used for activities at any sites: 1) listed (or proposed for listing) on the National Priorities List; 2) at which a removal action must be taken within six months; or 3) where a federal or state agency is planning or conducting a response or enforcement action (including sites that are the subject of a unilateral administrative order, a court order, and administrative order on consent or judicial consent decree).
- Coalition funding is premised on an award of no more than \$1,000,000 *per eligible entity*. Loan funds must be directed to properties located within the jurisdictions of the eligible entities comprising the coalition. A preference shall be given in the first round of lending to a loan to each individual entity of the coalition. Subsequent lending to coalition members may be based upon project need after the first round of lending has occurred. ***See also “Special Requirements for Coalitions.”***

Eligible Activities

- A BCRLF pilot (cooperative agreement recipient) must use at least 70 % of the funds provided *to capitalize* its clean up loan fund. EPA will award up to 20% of the cooperative agreement funds as *direct financial assistance* to the cooperative agreement recipient to carry out its clean up responsibilities as “lead agency” when used in combination with a specific loan. The remaining 10% of the cooperative agreement may be used for the cooperative agreement recipients’ *general administrative costs*.
- BCRLF activities must be removals, as defined in CERCLA §101(23). The NCP at 40 C.F.R. §300.415 describes some examples of removal actions.

- BCRLF cleanups must meet the NCP requirements identified for non-time critical removal actions -- *i.e.*, removal actions for which a planning period of at least 6-months exists. These requirements are identified primarily in 40 C.F.R. §§300.415 and 300.800. Pilot funds may be used for costs associated with meeting any of these requirements, including the requirement to conduct engineering evaluation and cost analysis of cleanup alternatives and all public participation requirements.
- BCRLF pilot loan funds may be used for site monitoring activities that are necessary during the cleanup process (e.g., site sampling for cleanup verification).
- BCRLF pilot funds may NOT be used to conduct environmental response activities preliminary to cleanup, such as site assessment, site identification, and site characterization.
- BCRLF pilot funds may NOT be used to clean up products that are part of the building structure and result in exposure within residential buildings or business or community structures (e.g., interior lead-based paint contamination or asbestos which results in indoor exposure).
- BCRLF pilot funds may NOT be used for cleanup of petroleum products, unless they are believed to be co-mingled with a hazardous substance, pollutant, or contaminant (e.g., used oil). CERCLA expressly excludes petroleum from the definition of hazardous substances.
- BCRLF pilot funds may NOT be used for development activities that are not removal actions (e.g., construction of a new facility or marketing of property).

P *Special Requirements for Coalitions Proposals*

- A single entity must be identified as the applicant.
- A letter of agreement, from each coalition member, must be included as an attachment.
- Only one award will be considered per eligible entity within the coalition, i.e. a political subdivision would only be eligible for up to \$1,000,000.
- Coalition financial assistance is premised on an award of no more than \$1,000,000 per eligible entity of which a BCRLF pilot (cooperative agreement recipient) must use at least 70 % of the funds provided *to capitalize* its clean up loan fund. EPA will award up to 20% of the cooperative agreement funds as *direct financial assistance* to the cooperative agreement recipient to carry out its clean up responsibilities as “lead agency” when used in combination with a specific loan. The remaining 10% of the cooperative agreement may be used for the cooperative agreement recipients’ *general administrative* costs. The 20% direct financial assistance may *only be used in combination with a loan*.

- Loan funds must be directed to properties located within the jurisdictions of the eligible entities comprising the coalition.
- A preference shall be given in the first round of lending to a loan to each individual entity of the coalition. Subsequent lending to coalition members may be based upon project need after the first round of lending has occurred. Each coalition member must consent to a loan(s) to other coalition entities when the amount of the loan exceeds the proportionate share for each coalition member.
- Costs (including costs covered by loan funds and direct financial assistance) associated with a particular cleanup may not exceed \$2 million. (CERCLA §104(c)(1)).
- An existing coalition (a coalition already having been selected to receive a BCRLF pilot), may apply on behalf of a new entity seeking to join the existing coalition. The entity seeking entry into the coalition must otherwise meet the eligibility requirements, *i.e.*, be a State, political subdivision, or Indian tribe that has established and can demonstrate the progress already made in the assessment, cleanup and revitalization of brownfields in the community, State or Tribe.
- Existing coalitions making proposals under this guidance on behalf of *new* entities shall provide a written affirmative statement that members of the existing coalition (chief executive of the coalition entity, *e.g.*, the mayor or county executive) have agreed to admission of additional entities to the coalition.⁷

P Other Restrictions

- BCRLF pilot funds may NOT be used for job training. Support for job training activities may be available through the Hazardous Material Training and Research Institute, EPA programs, other Federal agency programs, and state and local programs.
- BCRLF pilot funds may NOT be used to support “lobbying” efforts of the cooperative agreement recipient (*e.g.*, lobbying members of Congress or State legislatures, or lobbying for other Federal grants, cooperative agreements, or contracts).
- The cooperative agreement recipient cannot use BCRLF pilot funds to match any other Federal funds without specific statutory authority. ***(However, the borrower may use BCRLF loan funds to match other federal funds if the use of BCRLF funds is in accordance with all other BCRLF requirements and the requirements of the other federal agency.)***

⁷ EPA strongly recommends that coalitions establish agreements addressing membership responsibilities and operating procedures to ensure the efficient functioning of a coalition, particularly if the coalition is made up of more than 2 or more members and that such agreements be in place prior to approval of cooperative agreement.

- The cooperative agreement recipient is responsible for complying with all applicable Federal requirements that are applicable to the BCRLF by operation of statutes, executive orders, and regulations, in addition to CERCLA requirements (e.g., The Davis Bacon Act, 40 U.S.C. §276a *et seq.* applies to all construction, repair, or alteration projects funded entirely, or in part, with CERCLA funds.)
- The cooperative agreement recipient must provide evidence that it is making significant progress toward loaning the amount available under this agreement through its quarterly reports. If the loan funds are not used by the end of this agreement, and the term is not extended by EPA, the funds will be withdrawn.

The Proposal Package

Structure of the Proposal

Proposals for BCRLF pilots should include the following:

- ! Cover Page (1 page)
- ! Proposal Overview (1-2 pages)
- ! Budget (1 page)
- ! Responses to Threshold Criteria -- Section A and B (up to 5 pages)
- ! Responses to Evaluation Criteria -- Sections C- F (up to 9 pages)
- ! Attachments (as appropriate; *please provide an index*)
- ! Coalition proposals may exceed page limits, as needed. ***Coalitions should pay particular attention to Evaluation Criteria "C1" and "C2" in preparing their proposals.***

Attachments should be kept to a minimum. Attachments that will be considered during proposal evaluation include maps and letters of certification and commitment, support, or partnership from other government or private entities. Examples of attachments that will not be considered during proposal evaluation include strategies or plans developed for other programs, advertising brochures, newspaper articles, resolutions, statutes, and videotapes. Information in these types of attachments should be distilled and incorporated into the responses to criteria.

To ensure fair and equitable evaluation of the proposals, please *do not* exceed the above, single-sided page limitations. In addition, all materials included in the proposal (including maps and other attachments) must be printed on letter-sized paper (8½" by 11") and font sizes may be *no smaller* than 11 points.

Applicants should clearly mark information they consider confidential. EPA will make final confidentiality decisions in accordance with Agency regulations at 40 C.F.R. Part 2, Subpart B.

Please submit two copies of your proposal materials, including attachments. One copy should be submitted directly to EPA Headquarters and the other copy should be submitted to the appropriate EPA Regional BCRLF Coordinator. (See page 39 for mailing directions).

Cover Page

This is intended to identify the BCRLF Demonstration Pilot applicant and a point of contact for communication with EPA. This should be on a single page and in the format of your choice.

1. Proposal title: this should be as specific as possible.
2. Location: city, county, and state of the pilot area.
 - *For a coalition proposal, please list the relevant information for EACH eligible entity, with the lead member identified.*
3. Scope and population of the pilot area.
 - *For a coalition proposal, please list relevant information for EACH eligible entity.*
4. Applicant identification: the name of the proposed cooperative agreement recipient (e.g., state or local agency).
 - *For a coalition proposal, the entity named here will be considered the cooperative agreement recipient.*
5. Proposal director: the name of the person who is responsible for the proposal. We will contact this person if we need further information.
6. Mailing address of the proposal director.
7. Telephone/Fax/E-mail of the proposal director.
8. Name of the chief executive of the applicant (e.g., Governor, Mayor, County Executive, Tribal President, etc.), if different from the proposal director.
 - *For a coalition proposal, please list the chief executive of EACH entity.*
9. Mailing address of the chief executive, if different from the proposal director.
 - *For a coalition proposal, please provide the mailing address of the chief executive for EACH eligible entity.*
10. Telephone/Fax/E-mail of the chief executive, if different from the proposal director.

- *For a coalition proposal, please provide the Telephone/Fax/E-mail of the chief executive for EACH eligible entity.*
11. Identification as to whether an eligible entity(ies) is designated as a Federal Empowerment Zone(EZ)/Enterprise Community(EC).
 - *For a coalition proposal, please identify the Federal EZ/EC for EACH eligible entity, if applicable.*
 12. Date submitted: the date when the proposal is postmarked by the U.S. Postal Service or sent to EPA via registered or tracked mail.
 13. Pilot period: the cooperative agreement recipient generally has three years from the cooperative agreement start date to obligate (enter into loan agreements) all funds awarded. Final payment, disbursement of award funds, and close out must be complete within 5 years of award date. This will be determined by the applicant's projected implementation schedule for the initial round of lending to be described in "Criteria D.1: "Describe Your Proposed BCRLF Pilot Financial Plan" (See page 31).
 14. Community background: demographic statistics on minority, unemployment, and poverty rates or other statistics that demonstrate distress in the pilot area.
 - *For a coalition proposal, please provide the relevant demographic statistics for EACH eligible entity.*
 15. Please classify whether the pilot area is urban, suburban, or rural.
 - *For a coalition proposal, please provide the relevant information for EACH eligible entity.*
 16. Cooperative partners: provide a list of the individuals and organizations that have agreed to participate in the implementation of the pilot without charge.

Proposal Overview

The Proposal Overview is an important opportunity to briefly summarize the overall goals and objectives of the proposed pilot. Some of the information you provide in the Proposal Overview will overlap with the evaluation criteria.

Provide an overview of the following topics:

- Overall brownfields goals and objectives.
- How capitalization of a BCRLF will help advance your goals and objectives.
- How the EPA cooperative agreement funds will be used (e.g., administration, loans, and financing).
- *For a coalition proposal, please list the relevant information for EACH eligible entity.*

Budget

Provide a potential budget for your proposal. This should show the distribution of the BCRLF pilot financial assistance, including the portion of funds to be used to capitalize the revolving loan fund (at least 70%), the direct financial assistance portion of the funds (up to 20%); and the portion of the funds (up to 10% of the total award) for administrative costs, legal fees, and professional services. A clear and concise budget is a critical element of the proposal package.

For coalition proposals, the budget should clearly identify how the funds will be distributed among each coalition member. No one member may receive more than a \$1,000,000 allotment.

PROPOSAL TASKS					
<i>Budget Categories</i>	<i>Task 1</i>	<i>Task 2</i>	<i>Task 3</i>	<i>Task 4</i>	<i>TOTAL</i>
<i>Administrative Expenses</i>					
<i>Personnel</i>					
<i>Fringe Benefits</i>					
<i>Travel</i>					
<i>Equipment</i>					
<i>Supplies</i>					
<i>Contractual</i>					
<i>Other</i>					
<i>Subtotal:</i>					*can not exceed \$100,000 on \$1,000,000 award
<i>Loan Capitalization Subtotal:</i>					* at least \$700,000 on \$1,000,000 award

PROPOSAL TASKS					
<i>Budget Categories</i>	<i>Task 1</i>	<i>Task 2</i>	<i>Task 3</i>	<i>Task 4</i>	<i>TOTAL</i>
<i>Direct Financial Assistance to support Lead Agency funding</i>					* may be up to \$200,000 used only in combination with loans made
<i>Subtotal:</i>					
TOTAL					

Threshold Criteria (Sections A and B)

This section addresses the threshold criteria, i.e., the minimum criteria, an applicant must demonstrate to assure U.S. EPA it has the ability to implement a BCRLF pilot. Applicants must meet the threshold criteria, i.e., demonstrate an existing commitment to brownfields, and demonstrate an ability to manage a revolving loan fund and environmental cleanup, to be selected for a BCRLF Demonstration Pilot. All threshold criteria are equally important. The Agency may seek further clarification of threshold responses, if necessary, during the selection review process.

A. Existing Local Commitment to Brownfields

Any state, Indian Tribe, or political subdivision with an established brownfields program may apply for a BCRLF cooperative agreement.

Describe the progress that your community has made in the assessment, cleanup, and revitalization of brownfields. Include in your description any sites in your community that have been identified, characterized, or assessed as brownfields sites, including those sites identified, characterized, or assessed under a previously awarded EPA Assessment Demonstration pilot or a targeted brownfields assessment.

Coalitions should pay particular attention to the presentation of information in this portion of the proposal to ensure information on EACH coalition member is provided.

B. Ability to Manage a Revolving Loan Fund and Environmental Cleanups

The proposed cooperative agreement recipient will carry out two primary functions: 1) lead agency responsible for managing environmental cleanups; and 2) be responsible to EPA for fund management, for the purposes of directing and administering the BCRLF pilot.

B.1. Demonstrate That You Have an Effective Institutional Structure in Place or Planned

(a). Please identify:

(1) the entity that will be lead agency (*reminder: cooperative agreement recipient = lead agency*), including the government employee that will be the lead agency's brownfields site manager; and

(2) the types of entities that may act as fund manager⁸.

If, at this time, the applicant is unable to identify the government employee who will act as the Brownfields Site Manager or the entity that will act as Fund Manager, describe your *plan* for selecting the Brownfields Site Manager or Fund Manager.

(b). *Lead Agency*

(1) Provide background information on the institution and staff comprising the Lead Agency (*reminder: cooperative agreement recipient = lead agency*). This background information should describe the experience and qualifications the applicant has to act as Lead Agency or describe how the applicant intends to acquire this expertise. (Please note, a cooperative agreement recipient/lead agency may enlist the services of other entities that have experience with overseeing and carrying out environmental response actions to help the cooperative agreement recipient fulfill its lead agency responsibilities. The cooperative agreement recipient may **NOT**, however, designate another entity to act as the lead agency.)

Your description of lead agency experience and qualifications should be based on the responsibilities described on page 14 and must include a demonstration that the proposed Lead Agency has, or has access to, the following:

(a) Expertise in conducting or overseeing environmental response actions carried out in accordance with federal and state requirements and, in particular, experience with, or knowledge of, the non-time critical removal requirements in the National Contingency Plan (40 C.F.R. § 300.415); and

(b) Sufficient record-keeping expertise to ensure that the use of BCRLF funds (by the Cooperative Agreement recipient and by the borrower) is tracked, recorded, and reported to EPA.

⁸ Recipients who intend to contract with an entity to perform fund manager services must comply with competitive procurement procedures as required by 40 CFR Part 35, Subpart O.

(2) Provide specific information, including experience and qualifications, on the government employee proposed to be your Brownfields Site Manager.⁹ Your description of your brownfields site manager's experience and qualifications must include a demonstration that the employee identified to serve this function has, or will have, the following:

(a) Experience with on-site coordination, direction, and review of environmental response activities; and

(b) Experience with, or knowledge of, the non-time critical removal requirements in the National Contingency Plan (40 C.F.R. § 300.415).

(3) Provide information on any past or pending legal actions against the institutions or individuals comprising the Lead Agency (including the brownfields site manager) relating to public and commercial financial and environmental matters, how those actions were resolved, and whether any are currently suspended, debarred, or otherwise ineligible to receive federal funding.

(4) If the proposed Cooperative Agreement Recipient plans to enlist the services¹⁰ of other entities to assist in carrying out Lead Agency responsibilities, describe the relationship between the potential Lead Agency and these institutions and the type of agreement (e.g., intergovernmental agreement, or contract) that is planned.

(5) If the proposed Cooperative Agreement Recipient plans to enlist the services of a government employee to act as the Brownfields Site Manager who is not an employee of the Cooperative Agreement Recipient (e.g., the Brownfields Site Manager is an employee of the State or Federal government that will work under the direction of a political subdivision lead agency), describe the relationship between the proposed Cooperative Agreement Recipient and the proposed Brownfields Site Manager.

(6) If the proposal is from a coalition, please describe how the proposed Cooperative Agreement recipient will implement its lead agency responsibilities with respect to the coalition, for example, how the lead agency would ensure that environmental response

⁹ Options are available for the selection of a BCRLF Site Manager. (See, policy clarification memorandum dated July 10, 2000, "Clarification of Site Manager (On-Scene Coordinator Role)", etc.) See footnote 6 page 14.

¹⁰ Intergovernmental agreements may be used for transactions between governmental units. Contracts with vendors of services and produces must be entered into under procedures that are consistent with the procurement procedures found in 40 C.F.R. Part 35, Subpart O. *Note: a lead agency may NOT designate another entity nor may it subgrant to another entity the authority to act as the lead agency.*

requirements are met at sites where it does not typically assert jurisdiction (i.e., sites located in other member's political boundaries).

Note: Political subdivision applicants who are selected to receive BCRLF funds must obtain written agreement from the State that the political subdivision may assume lead agency responsibility for removal activities at any site or sites addressed with BCRLF funds. This should be submitted with the formal cooperative agreement application package in the form of a letter from the State. Applicants who are selected to receive BCRLF funding should consult with the U.S. EPA Regional BCRLF Coordinator (see page 40) if they expect they will be unable to obtain this letter in time to submit it with the formal cooperative agreement application package.

(c). Fund Manager

(1) If the proposed Cooperative Agreement Recipient plans to enlist the services of other institutions or individuals to act as the Fund Manager, describe the relationship between the potential Cooperative Agreement Recipient and the institution or individual and the type of agreement (e.g., intergovernmental agreement, contract, or subgrant) that is planned.¹¹

(2) Provide information on the qualifications of institutions and staff the applicant intends to have act as Fund Manager.¹² Typical information should include:

¹¹ Intergovernmental agreements may be used for transactions between governmental units. *Any subgrants must be consistent with 40 C.F.R. §31.37 and with the distinction between subrecipients and vendors made in OMB circular A-133.* Contracts with vendors of services and produces must be entered into under procedures that are consistent with the procurement procedures found in 40 C.F.R. Part 35, Subpart O. *Note: The cooperative agreement recipient may subgrant to a Fund Manager.*

¹² To reduce their administrative costs, cooperative agreement recipients are permitted to designate third parties to serve as the fund manager. Should an applicant choose to (1) coordinate the administration of the BCRLF pilot with other existing revolving loan funds (e.g., EDA, others); (2) enter into agreements with the state to administer the BCRLF pilot funds; or (3) coordinate the administration of funds with other selected BCRLF cooperative agreement recipients, the applicant must ensure that BCRLF pilot funds are used only for authorized purposes.

The cooperative agreement recipient will be responsible for all actions of the fund manager. Therefore, should a BCRLF pilot cooperative agreement be terminated by EPA, the recipient must appoint a receiver to manage outstanding loans or EPA will appoint a receiver at the Agency's discretion.

- (a) Financial skills to manage the financial health of the fund;
- (b) Analytical skills to evaluate potential borrowers on both technical and financial criteria;
- (c) Legal skills to structure loan agreements, collateral arrangements, and repayment instruments; and
- (d) Recordkeeping skills to track and report on the activities of the BCRLF and its borrowers (e.g., number of loans, categories of borrowers, and program income).

(3) For coalition proposals, please describe how the fund manager will manage and separately track the funds *for each* of the eligible entities that are part of the coalition.

Note, that as part of its substantial involvement EPA may request information on any past or pending legal actions against the institution or individuals proposed to be the Fund Manager relating to public and commercial financial and environmental matters and how those actions were resolved. The institution or individual selected as fund manager must not be currently suspended, debarred, or otherwise ineligible to receive federal funding.

B.2. Demonstrate Your Legal Authority to Manage BCRLF Cleanups

Please provide a **legal opinion (in the form of an attachment)** from the applicant’s legal counsel that demonstrates the applicant’s legal authority to perform the actions necessary to manage environmental cleanups. This should include a demonstration of jurisdiction, as well as the authority to carry out the responsibilities, described previously, of the Lead Agency and Brownfields Site Manager (see pages 14-15). This authority may be based in statute, regulation, or other authority.¹³ *This must be submitted with the proposal.*

B.3. Demonstrate Your Legal Authority to Manage a Revolving Loan Fund

Please provide a **legal opinion (in the form of an attachment)** from the applicant’s legal counsel that demonstrates the applicant’s legal authority to perform the actions necessary to manage a revolving loan fund. Legal authority must include, among other things, the ability to enter into the cooperative agreement, hold funds, make loans, enter into loan agreements, hold collateral, charge

¹³ In some cases, all authority may come from one source. For example, if the potential cooperative agreement recipient is a municipal government, your state may have granted broad powers to all municipalities that include those needed to manage a BCRLF cleanup. In some cases, however, such broad authority may not exist. In these cases, the legal opinion must cite specific authorities.

interest, and collect repayments. This authority may be based in statute, regulation, or other authority.
¹⁴ *This must be submitted with the proposal.*

B.4. Demonstrate the Applicant's Status as a Political Subdivision

Provide evidence that your entity is a political subdivision according to state law, e.g., a letter from you State Attorney General's office.

¹⁴ In some cases, all authority may come from one source. For example, if the potential cooperative agreement recipient is a municipal government, your state may have granted broad powers to all municipalities that include those needed to manage the loan administration portion of the BCRLF. In some cases, however, such broad authority may not exist. In these cases, the legal opinion must cite specific authorities.

Evaluation Criteria (Sections C-F)

Those applicants that meet the threshold criteria will then be evaluated based on their responses to four evaluation criteria: (1) demonstration of need; (2) commitment to make loans and to creative leveraging of EPA funds; (3) benefits of BCRLF pilot loans to the local community; and (4) long-term benefits and sustainability.

Your response to the following criteria will be the primary basis on which EPA determines the size of award. However, there is no guarantee of an award. EPA's evaluation panel will review the proposals carefully and assess each response based on how well it addresses each criterion. All evaluation criteria are equally important.

Responses for *coalition proposals must provide sufficient detail for each of the eligible entities* within the coalition, where applicable.

C. Evaluation Criteria: Demonstration of Need

C.1. Problem Statement and Unique Needs of the Community

[Coalitions should pay particular attention to presentation of information in this portion of the proposal to ensure information on EACH coalition member is provided.]

(a). Provide demographic measures that demonstrate economic distress in targeted municipalities and neighborhoods. Demographic measures should include population (including distribution of minorities), poverty rates, and unemployment rates. Other measures could include per capita or family income levels or other measures that demonstrate distress.

(b). Explain the unique needs of the community, including why certain demographic problems are a priority. Specific goals and strategies developed to deal with problems should be identified. Connecting to environmental justice issues, city or county-wide strategic planning, or comparative risk efforts is encouraged. If specific neighborhoods or communities have been targeted for enhanced development, a brief description of those plans should be included in the proposal.

(c). Explain interactions with other local, state, or federal economic incentive programs designed to increase jobs and capital investment (e.g., federal enterprise communities and empowerment zones, state-designated zones, tax increment financing districts, and public improvement districts). Any public/private investment activities associated with the demographic concerns should be described.

C.2. Description of Potential Borrowers and Property

[Coalitions should pay particular attention to presentation of information in this portion of the proposal to ensure information on each coalition member is provided.]

(a). Detail the types of borrowers expected to benefit from BCRLF pilot financing and provide general information about their financial needs. If subawards will be used in combination with loans to non-profit or governmental borrowers, please indicate whether you intend to include this feature as part of your loan program.

(b). Explain the process for identifying and selecting prospective BCRLF borrowers and detail how they will be certified as qualified borrowers. Identify planned procedures for determining how potential borrowers requesting BCRLF pilot loans are well qualified to direct the proposed redevelopment and have a demonstrated record of success.

(c). Describe specific areas that are to be included in the BCRLF pilot eligibility pool. Maps of eligible areas of emphasis, with clear explanations attached, should be provided. When possible, the proposal should provide descriptions of eligible properties.

(d). Considering the information requested in (a), (b), and (c), provide a proposed BCRLF pilot implementation schedule and time line for the initial round of lending.¹⁵ (EPA strongly urges proposal applicants to work toward making an initial loan within 12 months of award.)

D. Evaluation Criteria: Commitment to Making Loans and to Creative Leveraging of EPA Financial Assistance

D.1. Describe Your Proposed BCRLF Pilot Financial Plan¹⁶

Briefly outline your proposed financial plans. Provide the following:

(a). the proposed financing structure for the program, such as planned level of fund capitalization, loan schedule, and administrative costs;

¹⁵ Failure to comply with the pilot period can result in the deobligation and recovery of undisbursed cooperative agreement funds, at the option of EPA.

¹⁶ Once a BCRLF pilot proposal is selected, but prior to when the cooperative agreement is signed, applicants will be asked to provide a more detailed financial plan demonstrating the applicant's financial management capabilities.

(b). a brief description of how the BCRLF program may be operated in relationship with funding mechanisms other than EPA pilot funds;

(c). a description of how BCRLF funds will be integrated into an existing redevelopment loan, grant, or tax incentive program, if appropriate;

(d). if possible, identify anticipated initial loan recipients and the level of funding to be provided (this is not required); and

(e). a proposed BCRLF pilot implementation schedule for the initial round of lending.

D.2. Ability to Attract and Support Other Financing

(a). Provide information on all other currently available or anticipated sources of funding for cleanup in the eligible area, including other federal, state, local, non-profit, and private funding sources. Proposals should demonstrate the extent to which EPA seed funding of a BCRLF pilot will attract other resources and be used in conjunction with those resources to maximize benefit.

(b). Discuss how you plan to use BCRLF pilot funds to address funding gaps for cleanup of eligible BCRLF pilot area properties.

(c). Describe how the BCRLF pilot program will be coordinated with other revolving loan funds or financing programs for environmental assessment and cleanup, if available.

D.3. Cash and In-Kind Contributions

While applicants are not required to match seed capitalization funds, financial participation is encouraged and will be taken into account in evaluating proposals. Applicants, therefore, should describe their intended financial contributions to capitalizing the proposed BCRLF and the sources of these capitalization funds. This discussion can include both direct cash contributions and access to relevant in-kind services.

D.4. Efficiency of Planned Administrative Structure

Describe the anticipated administrative framework for the BCRLF pilot and discuss how the planned BCRLF pilot structure will be integrated with other programs (e.g., other revolving loan fund programs) in a manner that minimizes administrative costs for the BCRLF pilot program.

E. Evaluation Criteria: Benefits of BCRLF Loans to the Local Community

E.1. Announcement and Notification of BCRLF Fund Availability

(a). Describe your procedures for providing for public hearings and Notification of Funds Available (NOFA) when a BCRLF program is being planned and before it is implemented.

(b). Describe the public outreach process that must be held for the initial notification of the loan program. If a formal public comment period is provided, and the applicant allows for no action on the program until the comment period is completed, details must be included in the proposal. Documentation of all outreach efforts must be provided to EPA upon the Agency's request.

(c). Describe your procedures for notifying minority business enterprises, women's business enterprises, and small business enterprises located within your jurisdiction about the BCRLF availability. Discuss any relationship which might already exist between the proposed cooperative agreement recipient and these types of business enterprises. Describe any existing procedures for linking these enterprises with opportunities under the BCRLF and, if no procedures currently exist, how you might develop such procedures. (For coalition proposals, answer for each coalition member community.)

E.2. Community Involvement in Future Land Reuse

(a). Provide evidence of your community's or communities interest in brownfields problems. Describe you efforts to involve community-based organizations in developing this proposal.

(b). Describe how the proposed BCRLF pilot is community-based or how the applicant plans to involve the community in targeted areas of the pilot. Specifically, describe how you will involve the public in cleanup decisions, including decisions about future land use, for each site addressed by BCRLF funds.

(c). Describe partnerships with academic associations, environmental justice groups, established community contacts, and organizational networks. Detail the method for including these groups in land reuse decisions.

(d). Describe any standards for land-use based environmental cleanups. Include particulars on community involvement in the determination of the selected environmental cleanup standards.

(e). To demonstrate significant involvement of other community organizations or local agencies, please provide letters of commitment from involved organizations, if available. (These letters are not required).

E.3. Contribution to Community Economic Development Plans

Cooperation among municipal, county, state, federal, and private economic development programs is encouraged. Please provide the following:

- (a). a summary of such partnerships already developed for the delivery of economic benefits to the impacted brownfields area;
- (b). details on how the partners cooperate for overall economic community development; and
- (c). a description of the relationship envisioned with these partners under the BCRLF pilot program.

E.4. Environmental Justice Benefits

Environmental justice seeks to rectify the disproportionately high burden of environmental pollution that is often borne by low income, minority, and other disadvantaged communities.

- (a). Describe how these communities have participated in the development of your brownfields redevelopments plans and how they will continue to participate in your Brownfields Cleanup Revolving Loan Fund.
- (b). Describe your plans for ensuring that affected disadvantaged populations benefit environmentally and economically (directly or indirectly) from the cleanup and reuse of brownfields as proposed in your proposal.
- (c). Describe how you plan to ensure that environmental risks to disadvantaged communities are not increased during cleanup and redevelopment.

E.5 Projected Sustainable Benefits

To evaluate the anticipated benefits of the applicant's brownfields program when EPA funds are exhausted, please provide the following:

- (a). the long-range planning and budget efforts established by entity responsible for implementing the brownfields program;
- (b). a description of the environmental and economic benefits of the BCRLF pilot, including the benefits of near-term projects and the projected sustainable environmental protection and economic stability of the community (Projected taxes, job creation, and pollution prevention information, if available, should be presented.);
- (c). a description of how the BCRLF pilot will facilitate the identification of threats to the health or welfare of children, pregnant women, minority or low-income communities, or other sensitive populations;
- (d). the extent to which the BCRLF pilot will facilitate the use/reuse of existing infrastructure;

(e). a description of how the BCRLF may stimulate the creation/preservation of greenspace;

(f). a description of the intangible social benefits of the BCRLF pilot (e.g., increased community pride, improved perceptions that the community is a good place to live and work, and decreased fear of crime).

F. Evaluation Criteria: Long-Term Benefits and Sustainability

F.1. National Replicability

Describe how this pilot can serve as a model for others to use in addressing barriers to revitalizing brownfields. (Given the complexity and local nature of the brownfields problem, no single plan will be suitable nationwide, but how you address specific barriers may provide lessons for others with similar problems.)

F.2. Measures of Success

Success in this demonstration pilot should be measured in terms of environmental achievement, revolving loan fund activity, and program strategy.

(a). Describe your plans for measuring success in achieving your BCRLF pilot goals. Measures of success should be specific and linked to the goals established for your pilot. Provide quantifiable measures whenever possible.

Measures of success should include:

- environmental indicators (number of properties with cleanup activities started using BCRLF funds; and
- number of properties with cleanup activities completed using BCRLF funds); and
- economic indicators (number of BCRLF loans made, amount of BCRLF funds loaned; and
- number of BCRLF loan applications received.

Measures may also include:

- institutionalized environmental or outreach processes or other indicators of what you would consider a successful brownfields program (e.g., integration of the BCRLF with other funding resources may also be considered as a measure of success or the leveraging of private or public investment).

(b). Describe baseline measures that you have developed or plan to develop to measure success. If baseline measures have not been developed yet, describe how and when you plan to develop them.

(c). Describe your plans to document your pilot's progress and success and to make quarterly reports to EPA.

Proposed Schedule for Awarding EPA's BCRLF Demonstration Pilots

November 15, 2001	Deadline for submission of BCRLF Pilot proposal
December 2001	Regions conduct initial proposal evaluation and prioritization
January 2002	EPA Headquarters review and selection of BCRLF proposals
February 2002	Announcement of proposals selected for the FY 01 BCRLF demonstration pilots
September 2002	BCRLF demonstration pilot cooperative agreements awarded

Submission/Mailing Instructions

The BCRLF pilot proposals must be post-marked and sent to U.S. EPA Headquarters and EPA Regional Offices via registered or tracked mail no later than November 15, 2001. Please note address for submission of proposals will vary according to the whether a “next day” delivery service (e.g., FEDEX) is used.

Please send to :

(IF SENDING VIA U.S. POSTAL SERVICE)

U.S. Environmental Protection Agency

Barbara Bassuener

OSWER Outreach and Special Projects Staff

Mail Code 5105

1200 Pennsylvania Ave, N.W.

Washington, DC 20460

(IF SENDING VIA *NEXT DAY DELIVERY SERVICE*)

U.S. Environmental Protection Agency

Barbara Bassuener

OSWER Outreach and Special Projects Staff

401 M Street, S.W. (Room 385SE)

Mail Code 5105

Washington, D.C. 20460

and

send a duplicate copy to the appropriate

U.S. EPA REGIONAL OFFICE

ATTN: BCRLF Coordinator

(see page 40 for a listing of EPA Regional Offices)

U.S. EPA Regional Office BCRLF Coordinators

If you have questions regarding the proposal, you may call EPA's Call Center at 1-800-424-9346 or your Headquarters contact or Regional representative presented below:

Regions	States	Address and Phone Number
EPA Region 1 Lynne Jennings	CT, ME, MA, NH, RI, VT	John F. Kennedy Federal Building One Congress Street Suite 1100 (HIO) Boston, MA 02203 Phone (617) 918-1210 Fax (617) 918-1291
EPA Region 2 Larry D'Andrea	NJ, NY, PR, VI	290 Broadway 18th Floor New York, NY 10007 Phone (212) 637-4314 Fax (212) 637-4360
EPA Region 3 Sherry Gallagher	DE, DC, MD, PA, VA, WV	1650 Arch Street Philadelphia, PA 19103 Phone (215) 814-3211 Fax (215) 814-5518
EPA Region 4 Wanda Jennings	AL, FL, GA, KY, MS, NC, SC, TN	Atlanta Federal Center 61 Forsyth Street Atlanta, GA 30303 Phone (404) 562-8682 Fax (404) 562-8628
EPA Region 5 Deborah Orr	IL, IN, MI, MN, OH, WI	77 West Jackson Boulevard (MC SE-4J) Chicago, IL 60604-3507 Phone (312) 886-7576 Fax (312) 886-4071
EPA Region 6 Roger Hancock	AR, LA, NM, OK, TX	First Interstate Bank Tower at Fountain Pl. 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733 Phone (214) 665-6688 Fax (214) 665-6660
EPA Region 7 Debi Morey	IA, KS, MO, NE	901 N. 5 th Street Kansas City, KS 66101-2728 Phone (913) 551-7593 Fax (913) 551-8688
EPA Region 8 Tom Pike	CO, MT, ND, SD, UT, WY	999 18th Street, Suite 500 (EPR) Denver, CO 80202-2405 Phone (303) 312-6982 Fax (303) 312-6071
EPA Region 9 Jim Hanson	AZ, CA, HI, NV, AS, GU	75 Hawthorne Street, H-1 San Francisco, CA 94105 Phone (415) 744-2237 Fax (415) 744-1796
EPA Region 10 Timothy Brincefield	AK, ID, OR, WA	1200 Sixth Avenue Seattle, WA 98101 Phone (206) 553-2100 Fax (206) 553-0124

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Appendix A.

List of EPA Brownfields Policy and Guidance

Note: Many of these documents can be found at the EPA Brownfields website, <http://www.epa.gov/swerosps/bf/gdc.htm>

- Brownfields Cleanup Revolving Loan Fund Administrative Manual (May 1998)
- Brownfields Cleanup Revolving Loan Fund Administrative Manual: Model Terms and Conditions (Oct. 1998)
- Policy on the Issuance of Comfort/Status Letters (November 12, 1996)
- Soil Screening Guidance Fact Sheet (July 1996)
- Revised Model Comfort Letter Clarifying NPL Listing, Uncontaminated Parcel Identifications, and CERCLA Liability Involving Transfers of Federally-Owned Property (January 16, 1996)
- Underground Storage Tank Lender Liability Rule (September 7, 1995)
- Land Use in the CERCLA Remedy Selection Process Directive (May 25, 1995)
- Community Reinvestment Act Regulations and Home Mortgage Disclosure (May 4, 1995)
- Guidance on Deferral of NPL Listing Determinations While States Oversee Response Actions (May 3, 1995)
- Military Base Closure: Guidance on EPA Concurrence in the Identification of Uncontaminated Parcels Under CERCLA Section 120(h)(4) (April 19, 1994)
- Guidance on Agreements with Prospective Purchasers of Contaminated Property (May 24, 1995)
- Policy Toward Owners of Property Containing Contaminated Aquifers (May 24, 1995)
- "Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996" (September 30, 1996)
- The Effect of Superfund on Involuntary Acquisitions of Contaminated Property by Government Entities (December 11, 1995)
- Policy on CERCLA Enforcement Against Lenders and Government Entities that Acquire Property Involuntarily (December 11, 1995)
- Tax Incentive Fact Sheet (August 1997)
- Guidance on Cumulative Risk Assessment (July 3, 1997)
- Liability and Other Guidance (April 1997)
- Targeted Brownfield Assessment Fact Sheet (November 1998)
- Fund Brownfields Remediation with the Clean Water State Revolving Loan Fund (October 1998)

Appendix B: List of Current BCRLF Pilots

Region 1

Berlin, CT	\$ 500,000
Bridgeport, CT	\$ 500,000
Hartford, CT	\$ 500,000
Naugatuck Valley River Communities and Danbury, CT	\$ 850,000
New Milford, CT	\$1,000,000
Stamford, CT	\$ 750,000
Winchester, CT	\$ 650,000
Lewiston, ME	\$ 500,000
Orono, ME	\$ 750,000
Portland, ME	\$ 500,000
Boston, MA	\$ 500,000
Brockton, MA	\$ 500,000
Central Massachusetts Economic Development Authority	\$ 500,000
Franklin Regional Council of Governments (Colrain & Greenfield, MA)	\$1,000,000
Gloucester, MA	\$ 500,000
Lawrence, MA	\$ 500,000
Lowell, MA	\$ 500,000
Lynn, MA	\$ 450,000
Montachusett Regional Planning Commission, MA	\$ 500,000
Mystic Valley Development Commission (Malden, Medford, and Everett, MA)	\$ 500,000
New Bedford, MA	\$ 500,000
Pioneer Valley Planning Commission (Springfield, Chicopee, Westfield, and the Pioneer Valley Region)	\$2,000,000
Somerville, MA	\$ 500,000
Taunton, MA	\$ 500,000
State of New Hampshire (NH DES, State Planning Coastal Watershed, NH DRED, Durham, Londonderry, Nashua, Bradford, and Greenfield, and Concord)	\$2,450,000
State of Rhode Island: (RI Development Corporation in cooperation with RI Dept. of Environmental Management)	\$1,000,000

Region 2

Essex County Improvement Authority, NJ	\$1,000,000
Hudson, NJ	\$ 500,000
Trenton, NJ	\$1,000,000
Niagara County, NY (with Niagara Falls, NY)	\$1,000,000
Yonkers, NY	\$ 500,000

Region 3

Washington, DC	\$ 500,000
Hagerstown, MD	\$ 500,000
Bucks County, PA	\$ 500,000
Clairton, PA	\$ 500,000
Duquesne, PA	\$ 500,000
Lehigh County, PA	\$ 500,000
Luzerne County, PA	\$ 500,000
McKeesport, PA	\$ 500,000
Neville Township, PA	\$ 500,000
Northampton County, PA	\$ 500,000
Philadelphia, PA	\$ 350,000
Richmond, VA	\$ 350,000
Wheeling, WV	\$ 500,000
State of West Virginia	\$1,000,000
State of Maryland (on behalf of Prince George's County and Baltimore County)	\$1,000,000

Region 4

Clearwater, FL	\$ 500,000
Escambia County, FL	\$ 500,000
Hillsborough County, FL	\$ 500,000
Jacksonville, FL	\$ 500,000
South Florida Regional Planning Commission, FL (Miami-Dade County and cities of Miami and Ft. Lauderdale)	\$2,000,000
Charlotte, NC	\$ 500,000
Fayetteville, NC	\$ 500,000
Raleigh, NC	\$1,000,000
Winston-Salem, NC	\$ 500,000
Charleston, SC	\$ 500,000
Columbia, SC	\$ 500,000
Cowpens, SC	\$ 500,000
State of South Carolina (SC Department of Health and Environmental Control for Cities of Anderson and Greenville, Towns of Bluffton, Lyman, Johnston, and Ware Shoals, Abbeville, Anderson, Greenville, Spartanburg, Yemassee, & Kershaw Counties)	\$3,350,000

Region 5

Chicago, IL	\$ 500,000
State of Illinois (IL DEP, Canton, East Moline, Freeport, Galva, Lacon, and Waukegan)	\$3,500,000
Rockford, IL	\$ 500,000
West Central Municipal Conference, IL	\$ 350,000
State of Indiana	\$ 350,000
Battle Creek, MI	\$ 500,000
Dearborn, MI	\$ 500,000

Detroit, MI	\$ 350,000
Jackson County Brownfields Redevelopment Authority, MI	\$1,000,000
Lansing Brownfields Redevelopment Authority, MI	\$ 500,000
Saginaw County Brownfields Redevelopment Authority, MI	\$1,000,000
Trenton, MI	\$ 500,000
Wayne County, MI	\$ 500,000
Hennepin County, MN	\$1,000,000
Roseville, MN	\$ 500,000
Columbus, OH	\$ 500,000
Cuyahoga County (Cleveland), OH	\$ 350,000
Hamilton, OH	\$ 500,000
Lockland, OH	\$ 500,000
Mansfield, OH	\$1,000,000
Toledo, OH	\$ 500,000
State of Ohio (on behalf of Lima and Cleveland)	\$1,500,000

Region 6

Gretna, LA	\$ 500,000
New Orleans, LA	\$ 350,000
Regional Planning Commission for Jefferson, Orleans, Plaquemines, St. Bernard, & St. Tammany Parishes, LA	\$ 500,000
Shreveport, LA	\$1,000,000
Albuquerque and Bernalillo Co., NM	\$1,000,000
State of Oklahoma	\$1,000,000
Austin, TX	\$ 500,000
Ft. Worth, TX	\$1,000,000

Region 7

Cedar Rapids, IA	\$ 500,000
Des Moines, IA	\$ 500,000
Sioux City, IA	\$1,000,000
Waterloo, IA	\$1,000,000
Unified Government of Wyandotte Co. and Kansas City, KS	\$ 500,000
Kansas City, MO	\$ 500,000
St. Louis County, MO (City of Wellston, MO)	\$ 500,000

Region 8

Aurora, CO	\$ 500,000
Commerce City, CO	\$ 500,000
State of Colorado (CO Department of Public Health, Lakewood, Englewood, Loveland, Westminster, and Denver)	\$3,700,000
Evanston, WY	\$ 500,000
Kemmerer, WY	\$ 500,000

Region 9

State of Arizona (Phoenix and Tucson)	\$1,000,000
Carson, CA	\$ 500,000
East Palo Alto, CA	\$ 500,000
Emeryville, CA	\$1,000,000
Lynwood, CA	\$1,000,000
Long Beach, CA	\$ 500,000
Oakland, CA	\$ 500,000
Sacramento, CA*	\$ 500,000
Stockton, CA	\$ 500,000
Las Vegas, NV	\$ 500,000
State of Nevada (NV DEP and Mineral County)	\$2,000,000

Region 10

Portland, OR	\$ 500,000
Oregon Economic and Community Development Dept.;	\$1,500,000
City of Coos Bay; and Tri-County Metro State of Washington	\$1,500,000
(Dept. Of Community, Trade & Economic Development, Dept. of Ecology, City of Tacoma, and City of Seattle/King County)	

United States
Environmental Protection Agency
(5101)
Washington, DC 20460

Official Business
Penalty for Private Use
\$300

